

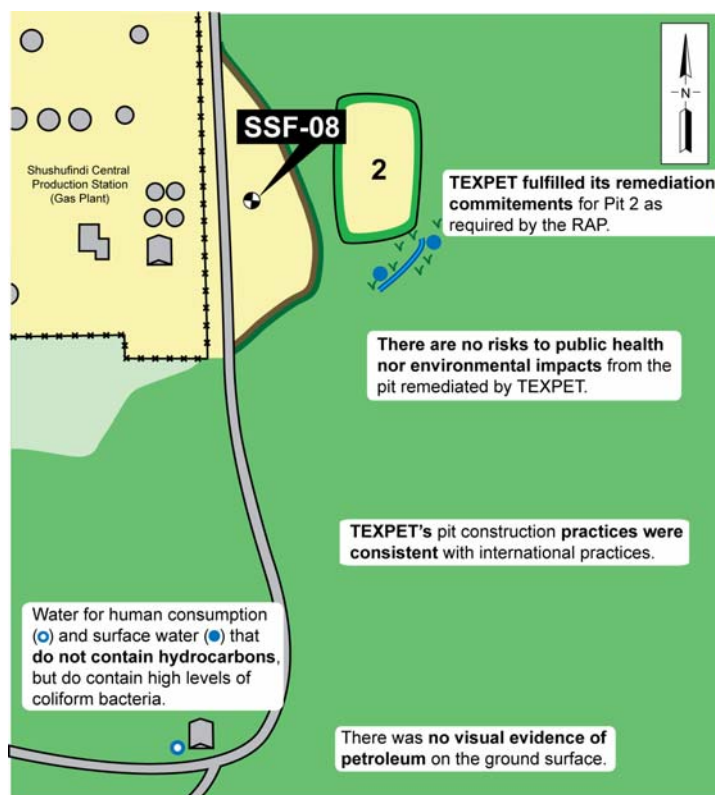
## EXECUTIVE SUMMARY

The Judicial Inspection of well SSF-08 was conducted on March 10, 2005. This Report presents a description of field activities, analytical results for soil and water samples collected during the Judicial Inspection, as well as responses to all the questions posed by the plaintiffs, the defendant and the Court.

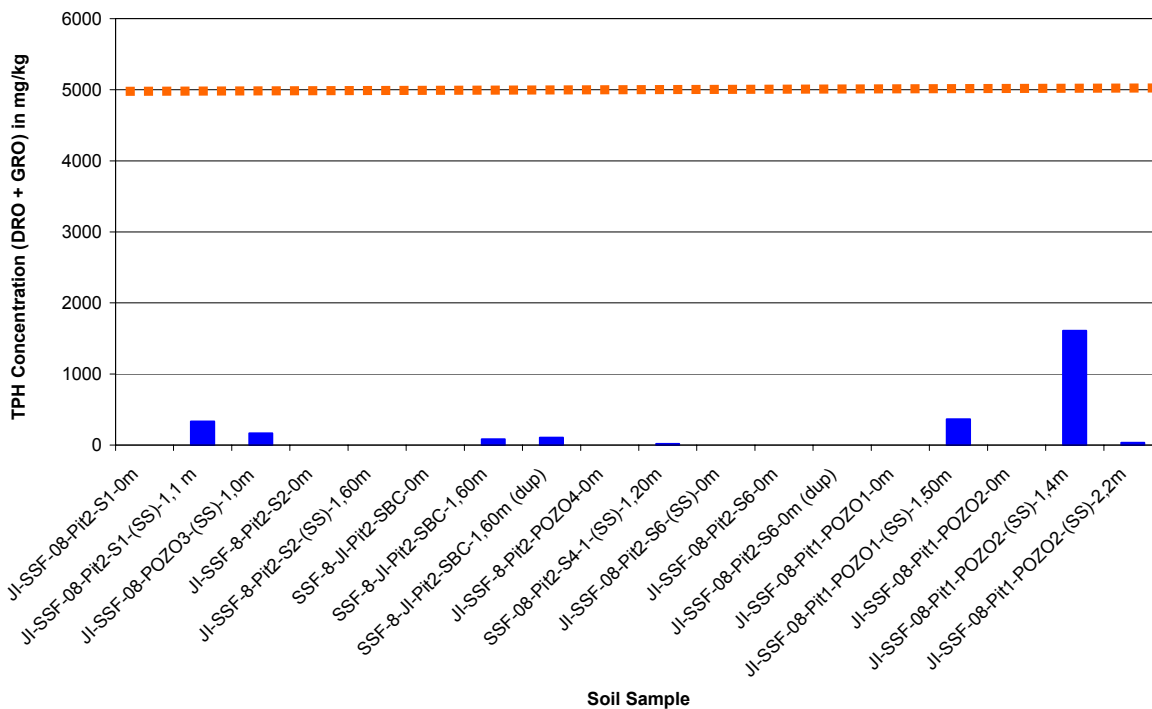
Based on the field activities conducted during the judicial inspection and subsequent review of reports and documents related to remedial activities at Shushufindi 08, the following conclusions can be highlighted:

- 1. There are no risks to public health, animals or plants from the pit remediated by TEXPET.**
- 2. There are no risks to drinking water from crude oil.**
- 3. There was no evidence of widespread petroleum contamination in the area surrounding the Shushufindi 08 wellsite.**
- 4. TEXPET's pit construction practices were consistent with international practices.**
- 5. TEXPET fulfilled its remediation commitments related to well Shushufindi 08.**

These conclusions are summarized in the following figures:



**Comparisons of TPH Concentrations in Pit 2  
with the RAP Remediation Criterion**



These conclusions are discussed below:

– **THERE ARE NO RISKS TO PUBLIC HEALTH, ANIMALS OR PLANTS FROM THE PIT REMEDIATED BY TEXPET.**

According to the analytical results for samples collected from within the remediated pit, soil that could come into contact with residents or animals does not contain concentrations of hydrocarbons (TPH); benzene, toluene, ethylbenzene and xylenes (BTEX), polycyclic aromatic hydrocarbons (PAH) and metals that would pose risks to public health. In addition, the analytical results also are below applicable international criteria and comply with the requirements set forth in the Remedial Action Plan (see tables 2A and 2B).

Therefore, there are no risks to public health or the environment from the pit remediated by TEXPET.

– **THERE ARE NO RISKS TO DRINKING WATER FROM CRUDE OIL**

Analytical results from a sample of surface water, used for human consumption, collected south of the platform near Mr. Tito Gutierrez’s residence, indicate that the water was free of petroleum constituents, except for traces of TPH-GRO (0.021 mg/L) very close to the detection limit. This demonstrates that the drinking water does not pose risks to public health or the environment from crude oil. Also, all analytical results are below applicable international criteria (see tables 3A and 3B), except for microbiological analytes. Further, the analytical data indicate that the concentrations of metals in all water samples are below the criteria established in Decree 2144. The absence of petroleum-derived constituents in this

sample proves that there are no mobile petroleum residues in the ground that could adversely impact drinking water sources.

It should be noted that all water samples contained high concentrations of total and fecal coliform, which could cause various types of diseases in people or animals that consume the water. These diseases are not related to crude oil.

– **THERE WAS NO EVIDENCE OF WIDESPREAD PETROLEUM CONTAMINATION IN THE AREA SURROUNDING THE SHUSHUFINDI 08 WELLSITE**

The analytical results for surface water samples collected outside the TEXPET remediated area prove that the concentrations of petroleum-derived constituents (e.g., PAH, BTEX) and metals are below laboratory detection limits or well below applicable international criteria (see Appendix J). Further, the analytical data indicate that the concentrations of metals in the two water samples are below the criteria established in Decree 2144. The absence of petroleum-derived constituents in these samples proves that no mobile crude oil residues remain in the ground. These data confirm observations made during site reconnaissance activities at the Shushufindi 08 wellsite and surroundings: there was no visual evidence of impacts to soils or surface water. There also was no evidence of produced water and/or crude oil discharges to the surroundings or the neighboring water bodies.

– **TEXPET'S PIT CONSTRUCTION PRACTICES WERE CONSISTENT WITH INTERNATIONAL PRACTICES.**

There were no international technical standards for the design, construction or operation of pits in petroleum-related operations at the time the Petroecuador-Texaco Consortium operated in the Oriente (see Appendix K). Based on a review of available reference information from different international petroleum-related organizations, including the Regional Association of Oil and Natural Gas Companies in Latin America and the Caribbean (ARPEL), the American Petroleum Institute (API), and regulatory agencies in oil producing countries (e.g., U.S. EPA or Venezuelan regulations), it can be concluded that the SSF-08 pits were constructed in a similar manner as pits that were constructed in other countries during the same time period. Furthermore, earthen pits are still utilized in Venezuela.

– **TEXPET FULFILLED ITS REMEDIATION COMMITMENTS RELATED TO WELL SHUSHUFINDI 08**

According to the reference information reviewed and the analytical results provided by an internationally certified laboratory for samples collected from the remediated pit, TEXPET closed the pit in accordance with the criteria and specifications agreed upon with the Government of Ecuador and Petroecuador, and with applicable international criteria for metals, BTEX and PAHs.

The conclusions presented above also are based on the following:

- The traces of degraded hydrocarbons found in the ground do not pose a risk to human health, animals or vegetation.
- There is no release or discharge of crude oil from the remediated area to groundwater.
- The remediated pit has a surface cover of at least 2.0 m over the remediated soil (see Figure 8).

- The traces of degraded crude oil found in the subsurface do not have the potential to migrate because its residual saturation is well below the concentration required for migration to occur.
- The solubility of degraded crude oil in water is extremely low; therefore, it has not caused an impact to water sources.
- Conservative hydrocarbon volatilization estimates indicate that the volatile fractions have been degraded and that calculated concentrations are minimal.
- The risk evaluations conducted to investigate the exposure routes for the traces of hydrocarbons indicate that:
  - *There is no direct exposure.*
  - *There is no exposure from ingesting surface water or groundwater.*
  - *There is no exposure from inhalation of soil vapor.*
- The drinking water sources in the areas surrounding the Shushufindi 08 pits included a stream used as a source of drinking water, approximately 380 m southwest of the wellhead, and a creek southeast of the wellhead (see Figure 5). The concentrations of BTEX, PAHs, and metals were below detection limits or well below criteria recommended by WHO and USEPA (see tables 3A and 3B).